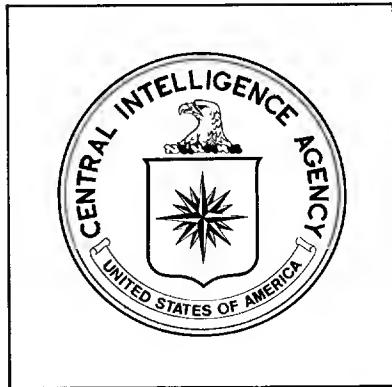


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## STAFF NOTES:

# Latin American Trends

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**SECRET****LATIN AMERICAN TRENDS**

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Cuba Trains Arab Guerrillas in Yemen

Cuban military advisers, along with their Soviet counterparts, are reportedly training Palestinian guerrillas in South Yemen. Members of Fatah and the Black September Organization are being instructed in terrorist tactics to prepare them for attacks on Israel from Lebanon.

Havana's ties with the Palestinians and particularly with Yasir Arafat and Fatah have grown increasingly close. Arafat traveled to Cuba last November and following his visit a permanent office representing the Palestine Liberation Organization was established in Havana. Last month it was reported by [redacted]

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[redacted] that Fatah members are receiving military training and political indoctrination in Cuba. Members of Fatah may have once before received training in Cuba in 1966-67. A Cuban intelligence officer reportedly visited Fatah guerrilla camps in early 1969 and may even have gone as an observer on a Fatah incursion into Israel.

Cuba's involvement with Palestinian terrorists is one more sign that Havana's relations with Israel have deteriorated completely. In the mid-1960s Castro clearly admired Israel and welcomed its technical assistance; at the same time he was contemptuous of the Arabs. Havana's desire for revolutionary allies in the Third World together with Soviet pressure led to the breaking of diplomatic ties with Israel in September 1973. During the October war of 1973 Cuba sent a battalion of tank personnel to Syria as a gesture of support, but the training of Palestinian guerrillas to fight in Israel demonstrates even more strongly Havana's irrevocable decision to side with the Palestinians.

It appears that Cuba may cooperate with the South Yemenis in establishing a base for training selected Middle Eastern guerrillas. Last September a small

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number of dissident Islamic separatists from Ethiopia  
were receiving Cuban training in South Yemen [REDACTED]  
[REDACTED] Guerrillas of the Popular  
Front for the Liberation of Oman are apparently also  
being given instruction at the same camp as the  
Palestinians.

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Cuba has had some presence in South Yemen since  
the late 1960s and has substantially increased it since  
early 1973. This has included medical teams, fishing  
and poultry technicians, air force instructors, and  
most importantly military advisors training paramili-  
tary forces. Fidel Castro plans to visit South Yemen  
this summer and further economic and military agreements  
are likely to result. (SECRET/NO FOREIGN DISSEM/NO  
DISSEM ABROAD/CONTROLLED DISSEM)

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Chile: Pressing The Hard Line

President Augusto Pinochet has told Chileans to put aside any thought of elections, implying that there would not be any for the next several generations. Pinochet made it clear that the military intends to stay in power for a long time and that the moratorium on political activity is of indefinite duration.

Speaking in the southern city of Concepcion, the Chilean President said: "Eventually I will die, and whoever succeeds me also will die, but there will be no elections." He admonished provincial authorities to solve their own problems and to forget about politics. To drive this point home, the President said that those who do not understand the government's determination to suspend elections either "do not wear pants or are rowing against the current." This barb was directed against the junta's critics, and the implication is that they lack machismo--an insult of the gravest sort to the Latin male.

Earlier this month Pinochet had launched a sharp attack against "destructive criticism" and urged that all stories of a political nature be banned from the press. He was probably referring to former President Frei's published interview suggesting that the junta's economic performance was lackluster. The government is increasingly sensitive about its economic policies, and junta leaders appear to be warning their detractors that they will not brook any opposition, no matter how tame.  
**(CONFIDENTIAL)**

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Argentina: The Dialogue That Never Was

President Peron has held another of her infrequent meetings with Ricardo Balbin, the leader of the major opposition party--the Radical Civic Union. As in previous sessions, Mrs. Peron heard Balbin's tactful criticisms of her administration, but was not particularly forthcoming or conciliatory. The only notable difference was the presence of Foreign Minister Vignes, who acted as Mrs. Peron's secretary in place of Lopez Rega, who was temporarily out of the country.

In spite of Mrs. Peron's effort to pay lip service to the political dialogue initiated by her late husband, her apparently total dependence on Lopez Rega has discouraged constructive contacts with all political sectors, including other Peronist officials. Balbin is under pressure from his party, as indicated by his reported statement to the President that their meetings must produce results. Other spokesmen for the centrist Radicals now openly state that if no action is taken on their complaints, the party will issue a document saying that the "dialogue is dead."

Balbin may well be in danger of losing his mantle to someone more aggressive because of his efforts to play the role of a constructive critic. In the past his detractors have characterized Balbin as an "old hack" and last week the extremist Montonero organization revived this charge in a full-page announcement published in several prominent US and European newspapers. The announcement was paid for by the huge Bunge and Born Company as part of an agreement with the Montoneros to facilitate the release of two kidnapped company executives. The article specifically attacked Balbin as one of the politicians who play at constructive opposition based on dialogue and respect for the institutions" and "one of the masters of all the skills to make the popular struggle their own, without ever representing their (the people's) interest."

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More important than the possible replacement of Balbin, however, is the fact that none of the opposition political parties has developed viable alternatives to the government's increasingly unpopular policies. Historically it has been precisely their absence of democratic options that has ultimately facilitated the intervention of the armed forces as the "guardians of the republic." (CONFIDENTIAL)



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Colombia: Lopez Fails University Test

Colombian President Alfonso Lopez has lost a round in his battle with the students, faculty, and staff of the National University.

The present crisis has developed in recent weeks as virtually the entire university community has demonstrated loudly and often violently in support of students, interns, and residents associated with the university's medical school. The medical personnel have been striking in an effort to gain control of the large university hospital. They, as well as the other students and faculty members, and sympathizers on other campuses throughout the country, see the problem as an assault on university autonomy.

President Lopez, searching for a scapegoat--and perhaps also believing that the university problem could be readily solved--last week fired the university rector. Significantly, when he took office last August, Lopez appointed the rector, a Marxist, in the hope of solving then current and anticipated problems with the university community. Instead, the problems have multiplied. The student body and the academic council, a faculty body, have rejected Lopez' firing of the rector, as has the newly appointed replacement rector.

Lopez is now faced with a fired rector who will not leave and a new appointee who has not only refused the appointment, but has also withdrawn altogether from university life. Once the present exam period is over, Lopez will probably be obliged to compromise, with the Marxist rector stepping down and the university community electing a successor. Meanwhile, the problem of the medical personnel and their hospital--the issue underlying the demonstrations and the rectorship debacle--remains unresolved. (CONFIDENTIAL)

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Guyana: A Rip-off that Backfired

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Two small foreign companies are being investigated by the government preparatory to their nationalization. Prime Minister Forbes Burnham [redacted]

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[redacted] ordered an investigation into the holdings and operations of Demarara Sugar Terminals, an affiliate of Bookers Sugar Estates Ltd., and GUYTRAC, a Canadian firm and the local representative of US Caterpillar Tractor Co. Burnham's action apparently was in part precipitated by his discovery that Bookers--the last major foreign firm operating in Guyana--has been receiving a fee from the recently nationalized Demarara Sugar Company without reporting that income to the government for tax purposes. Burnham reportedly is incensed over what he regards as Bookers' duplicity. Since Guyana already owns part of Demarara Sugar Terminals through its takeover of the Demarara Company in late May, Burnham probably believes that a complete takeover of the Sugar Terminals is a logical next step. Bookers' "rip-off" also hastens the final denouement when Guyana takes control of the entire sugar industry. (See Trends, June 4, 1975) (SECRET/NO FOREIGN DISSEM)

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El Salvador: Campesinos Enter Political Arena

With the 1977 presidential election less than two years off, leaders of the country's largest campesino organization, the Union Comunal Salvadorena, have begun a campaign to promote the candidacy of a little-known battalion commander. Though the organization's rank and file have not voiced unqualified support for the officer, the endorsement by its leadership marks the organization's first direct involvement in politics, and could eventually loosen the tight hold the military and the oligarchy have on politics. With an estimated 50,000 dues-paying members and the capability of reaching a much larger audience, the organization could be an unwanted opponent for a government plagued by declining popular support.

Since its founding in 1971, the fast-growing organization had abstained from partisan politics on the grounds that cooperation with the government was the best way to influence policymakers. It refused to be drawn into election campaigns, prohibited its members from holding public office, and even expelled four members who participated in the 1974 municipal elections.

In recent months, however, its leaders have grown increasingly impatient with the government. They supported President Molina's long-promised "land transformation" bill, but the program has yet to be unveiled. Campesinos publicly backed the 1974 Land Rent Law, but were discouraged when their suggestions for strengthening it were ignored. Moreover, poverty and unemployment in the countryside have steadily eroded the peasants' standard of living since Molina entered office in mid-1972.

With this in mind, the organization now plans to flex its new-found political muscle. The campaign for the officer, Lt. Col. Joaquin Flores, is being directed

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by influential coffee grower Leonel Gomez. Gomez, one of few landowners friendly to the organization, fears that peasants will revolt unless their problems are soon resolved. He has friends across the political spectrum, and is well connected with the military--particularly with younger officers. Gomez' rather ambiguous ideas include trade and diplomatic relations with all countries, restriction of Salvadoran investment abroad, redirection of financing from urban programs to rural areas, and a purge of corrupt government officials.

Lt. Col. Flores is a 40-year-old career officer of humble origin and is Gomez' close friend. Flores has never been active politically before and does not lead any significant faction within the military. Nevertheless, he has a favorable reputation among younger officers, and is considered honest. He hopes to ride the crest of what he perceives to be a wave of discontent among the younger officers, a force more powerful at present than his own incipient candidacy. Flores says he believes the government must give priority to improving agricultural production at the expense of industrialization. (CONFIDENTIAL)

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Peru: New Government Party

The Velasco government is still trying to form its own political organization to defend the revolution and to eliminate Communist influence in the government, but competition among leaders of the various pro-government groups is delaying the formation of the organization and is likely to make it ineffective in any case.

A major role in the development of this organization--to be known as the Political Organization of the Peruvian Revolution (OPRP)--is expected to be played by the Revolutionary Labor Movement (MLR). A militant, anti-communist labor and political action group founded in 1972, the Movement has been involved in clashes with communist labor and youth groups. It is favored by the moderates as a means for stopping communist penetration of the OPRP and for advocating their interests in the government. Current plans call for the MLR to convene a national congress in October to elect its leaders and announce its political platform.

Despite restrictions against members of the traditionally anti-military American Popular Revolutionary Alliance (APRA), the group may have a role in the new organization. APRA and the MLR are known to oppose each other, but they share anti-communist sentiments and the MLR is seeking APRA youth support for the new organization.

The OPRP has been in planning since last February, but it does not appear to be amounting to anything substantial. Its purpose is to unify the various pro-government factions into a united political front, but this appears unlikely since the factions are nothing more than vehicles for political leaders to gain support and influence in the government. Furthermore, OPRP's restrictions against the Communists and the probability that it will respond poorly to their demands may lead to unrest and disagreements between the government and the party. (SECRET/NO FOREIGN DISSEM)

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